

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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JOSEPH E. CONNARTON, *Executive Director*

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MEMORANDUM

TO: Lawrence Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: May 21, 2018

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY19 (since the amount under the prior schedule was maintained in FY19) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.75% to 7.50%.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



LAWRENCE CONTRIBUTORY RETIREMENT SYSTEM

FUNDING SCHEDULE

| Fiscal Year | Normal Cost | Unfunded Liability | Funding Amortization of UAAL | Net 3(8)(c) Payments | Schedule Contribution | Adjusted Payments |
|-------------|-------------|--------------------|------------------------------|----------------------|-----------------------|-------------------|
| 2020 | 3,218,780 | 209,931,694 | 17,105,261 | 1,051,536 | 21,375,578 | 21,375,578 |
| 2021 | 3,355,578 | 207,288,416 | 17,667,121 | 1,051,536 | 22,074,235 | 22,074,235 |
| 2022 | 3,498,190 | 203,842,892 | 18,247,491 | 1,051,536 | 22,797,217 | 22,797,217 |
| 2023 | 3,646,863 | 199,515,056 | 18,846,983 | 1,051,536 | 23,545,383 | 23,545,383 |
| 2024 | 3,801,855 | 194,218,178 | 19,466,231 | 1,051,536 | 24,319,622 | 24,319,622 |
| 2025 | 3,963,434 | 187,858,344 | 20,105,886 | 1,051,536 | 25,120,856 | 25,120,856 |
| 2026 | 4,131,880 | 180,333,892 | 20,766,625 | 1,051,536 | 25,950,041 | 25,950,041 |
| 2027 | 4,307,485 | 171,534,811 | 21,449,145 | 1,051,536 | 26,808,166 | 26,808,166 |
| 2028 | 4,490,553 | 161,342,092 | 22,154,165 | 1,051,536 | 27,696,254 | 27,696,254 |
| 2029 | 4,681,401 | 149,627,021 | 21,454,552 | 1,051,536 | 27,187,490 | 27,187,490 |
| 2030 | 4,880,361 | 137,785,404 | 22,149,680 | 1,051,536 | 28,081,577 | 28,081,577 |
| 2031 | 5,087,776 | 124,308,404 | 22,867,329 | 1,051,536 | 29,006,642 | 29,006,642 |
| 2032 | 5,304,007 | 109,049,155 | 23,608,231 | 1,051,536 | 29,963,774 | 29,963,774 |
| 2033 | 5,529,427 | 91,848,994 | 24,373,137 | 1,051,536 | 30,954,101 | 30,954,101 |
| 2034 | 5,764,428 | 72,536,546 | 25,162,827 | 1,051,536 | 31,978,791 | 31,978,791 |
| 2035 | 6,009,416 | 50,926,747 | 25,978,103 | 1,051,536 | 33,039,055 | 33,039,055 |
| 2036 | 6,264,816 | 26,819,793 | 26,819,793 | 1,051,536 | 34,136,145 | 34,136,145 |
| 2037 | 6,531,071 | - | - | 1,051,536 | 7,582,607 | 7,582,607 |

Amortization of Unfunded Liability as of July 1, 2019

| Year | Type | Original Amort. Amount | Percentage Increasing | Original # of Years | Current Amort. Amount | Years Remaining |
|------|--------------|------------------------|-----------------------|---------------------|-----------------------|-----------------|
| 2005 | ERI2002-LHA | 2,746 | 4.50% | 24 | 5,267 | 9 |
| 2005 | ERI 2002-VOC | 19,415 | 4.00% | 24 | 34,661 | 9 |
| 2005 | ERI2002-City | 405,220 | 4.00% | 24 | 723,412 | 9 |
| 2005 | ERI2003-City | 129,504 | 4.00% | 24 | 231,194 | 9 |
| 2005 | ERI2003-VOC | 4,729 | 4.00% | 24 | 8,443 | 9 |
| 2020 | Fresh Start | 16,102,284 | 3.24% | 17 | 16,102,284 | 17 |

Notes on Amortization of Unfunded Liability

Year is the year the amortization base was established. Type is the reason for the creation of the base. Original Amortization Amount is the annual amortization amount when the base was established. Percentage Increasing is the percentage that the Original Amortization Amount increases per year. Original # of Years is the number of years over which the base is being amortized. Current Amortization Amount is the amortization payment amount for this year. Years Remaining is the number of years left to amortize the base.